Welcome to the State Rehabilitation Council — General’s 2016 Annual Report on Minnesota’s Vocational Rehabilitation (VR) program. The State Rehabilitation Council (SRC) is appointed by the governor to partner and advise Minnesota’s Vocational Rehabilitation Program. Each year we report to the governor and the people of Minnesota on Vocational Rehabilitation’s annual performance.

The significant changes we’ve seen over the past year included a heightened awareness of the importance of cross-agency collaboration between the VR program and its partners. This is particularly evident with Minnesota’s eight Centers for Independent Living, which are actively involved in the implementation of many aspects of the Workforce Innovation and Opportunity Act, Minnesota’s Olmstead Plan, and the SGA Project (all described elsewhere in this report).

It’s clear that these new ways of working with partners have become a vital piece of meeting VR program’s new responsibilities and service implementation. We look forward to further strengthening these partnerships and continuing to provide employment support to Minnesotans with disabilities.

Anne Redetzke - Chair, State Rehabilitation Council
Disability Rights Advocate – Independent Lifestyles, Inc.
BLAKE’S STORY

Clearly, Blake was a capable student. Because he used a wheelchair, he participated in his high school Transition Plus program. VR helped with skills development, career exploration, and post-secondary school counseling. Throughout college he accessed VR for career exploration, tuition assistance, interview preparation and resume building. For Blake, an essential part of preparing for work was the benefits analysis that VR offered.

“I was definitely fearful of losing my benefits because they helped cover so much of my daily living routine,” he says. “I guess the biggest question about it was: If the employment didn’t work out how I was going to get those benefits back to the way things were while I could try again?”

The benefits analysis relieved Blake of that concern so he could focus on his job search. He soon had an internship at Infinite Campus, a business that provides software support to school districts. The internship turned into a job offer. The job is a great match for Blake’s skills.

“What I like about Blake is that he has a great attitude and is willing to attack anything thrown at him,” says Blake’s manager, Matt. “He is a software engineer. He impressed us with his technical knowledge and what he brought to the team. He showed us that he was ready for a full time position and that he was ready to contribute to our team.”

Blake enjoys his job and, best of all, it enables him to get out and do more of the many things that he enjoys doing. He has joined a bowling league and recently purchased his own adaptive bowling ramp.

“From working with VR I definitely consider myself successful and independent,” Blake says. “That is important to me. I want to be as independent as I possibly can be.”

To view a video of Blake at work and discussion his story, go to https://icimedia.wistia.com/medias/jfefvw6ifq.
Way to Work Update Report November 2016

VRS launched a pilot project in late 2015 to encourage individuals with disabilities to transition from center-based, subminimum wage work settings into community-based jobs that paid a minimum wage or higher. The project, called “Way to Work,” relies upon a partnership in which the public VR program and county staff work closely with center-based facilities to provide personalized career planning for individuals who want to move from center-based settings into community-based jobs.

One year into the pilot, 19 individuals had found competitive integrated jobs, including retail asset protection, detailing cars, server/busser, and customer service. Starting wages ranged from $9.50 to $13.00 an hour. All of the individuals started off in part-time positions, and some are now working 30-plus hours a week. More than 100 individuals who worked in-center, in enclaves, or in other sub-minimum wage jobs expressed interest in seeking a competitive job. All of these individuals are over age 21 years, live in Dakota County or have a Dakota County case manager, and are currently working with ProAct, a provider of center-based employment.

The Way to Work pilot was designed to help the VR program learn about and test alternative ways to encourage individuals with significant disabilities to seek competitive integrated employment. Among other things, VR learned how to incorporate Person Centered Thinking and Planning into their work. Through Way to Work, the VR program is collaborating more than ever with Dakota County and the Department of Human Services and finding creative ways to blend and braid funding to provide services.

As part of the Way to Work project, VR hired a customized employment specialist to work with VR and CRP staff across the state. As a result of this success, the VR program plans to hire additional staff to provide customized employment services throughout the state.

The pilot project will sunset in 2017, and the operational lessons and methods used in the pilot project will be adapted and integrated more broadly across the state to help more individuals with significant disabilities to make the transition from subminimum wage jobs into competitive, integrated employment in the community. With over 15,000 Minnesotans working in sub-minimum wage jobs, VR will be challenged to serve all those who are interested.

Go to page 14 for more information on the legislation that is driving these changes.
WAY TO WORK SUCCESS: JOSH’S STORY

Josh has done much to turn his life around. While still in high school, he struggled with mental health issues and poly-drug addiction, which eventually led to his dropping out of school. His addictions then lead to a criminal record, which made it even more difficult to find employment and housing.

Things turned around when he moved from Duluth to the Twin Cities and found stable housing in a supportive adult foster care home. He has maintained his sobriety for many years and, after unsuccessful attempts at competitive employment, reluctantly found center based employment at ProAct in Eagan. He needed employment to maintain his medical benefits.

Still, he wanted more. When he heard about the Way to Work program, he signed on. He worked with his Vocational Rehabilitation counselor to determine that he liked production work, but wanted part-time employment that allowed him to start later in the day, offered a quiet environment, and kept him busy.

The Way to Work program emphasized a team approach to employment. Josh’s team included his guardian, a mental health social worker, a vocational rehabilitation counselor, and his foster care provider. The team was able to braid funding from the county and Vocational Rehabilitation Services to allow Josh to receive career exploration, job placement services, a benefits analysis, short- and long-term job coaching and transportation assistance.

It wasn’t long before Josh found a job at Cabela’s. His interests were a perfect match for Cabela’s need for someone to package and stock their deli area. Josh likes that he is able to work independently behind the scenes and set his own pace. Stop by the Cabela’s store in Richfield and check out the deli, where Josh ensures that the shelves are well stocked with snacks and provisions. He recommends the roasted nuts, which are one of Cabela’s specialties.

“HIS INTERESTS WERE A PERFECT MATCH FOR CABELA’S . . . HE IS ABLE TO WORK INDEPENDENTLY BEHIND THE SCENES AND SET HIS OWN PACE.”
This year the SRC hosted a forum in Moorhead to discuss the region’s labor market projections and labor market tools for people with disabilities. Presentations were heard on the impending labor market shortage, career pathways, career planning and how people with disabilities can play an important role in maintaining the economic health of the region.

Presentations are important, but even more important is the dialog between the council and the forum participants. Here are some representative quotes:

Tailoring training: If we (talk to business) to determine the content of training needs and stakeholders to determine how it needs to be provided we will be more successful in having people complete training and obtaining employment.

Rick Roy, DEED Director of Strategic Business Projects

Labor market needs: (We have a plan) that calls for a 2% increase in labor force participation amongst the entire population, but there’s more room for labor force entry for people with disabilities. Working-age labor force participation is 84% but labor force participation for people with disabilities is below 50%. If we increased labor force participation by 10% amongst people with disabilities, you are talking about providing half the workers needed to meet that goal, whereas the projected labor shortage in this area will be slashed enormously. It is a huge opportunity.

Chet Bodin, DEED NW MN Labor Market Analyst

Other forum participants comments:

Working in a large low population area: For me to go from one end of my area to the other, I put on over 214 miles. You cannot (meet with) all the providers or employers. The distances are just so far. We try to maintain communication and openness between the counselor, the placement professional and the consumer. I believe we do a very good job of it in our area.

Services for deaf: Interpreter access in employment settings is always an issue – even if the employer is happy to provide that accommodation. There is a huge shortage of (ASL) interpreters.

Transition aged youth teams: when working with high school students, the biggest success I’ve experienced is when there’s a team around the table, a good, strong team with the work experience coordinator, the case manager, the social worker, VR, the student and, obviously, the family.

Working with youth earlier: I like the idea of getting in, working with students earlier. Sometimes when they’re juniors and seniors, it already too late to plan and get them on the right path. If we get there earlier to help them with their career planning, I think they’ll be so much more successful.
SHENA’S STORY

If you walk into Beans Coffee Bar in Fargo some morning, chances are Shena will serve up your coffee, along with a gigantic smile – and maybe even a complementary donut.

“SHE STILL GETS A LITTLE HELP FROM A JOB COACH FOR THINGS THAT REQUIRE MATH AND WHEN LEARNING A NEW TASK, BUT IS WELL ON HER WAY TO BEING INDEPENDENT.”

In June the SRC had the honor of meeting this enthusiastic young woman at the Moorhead Public forum. When Shena talked about her job serving coffee, the room filled with her enthusiasm and confidence for making delicious coffee drinks and helping her customers start their day off on the right foot.

Upon graduation from high school in 2010, Shena started her career bagging groceries at a local grocery store. When she was ready for the next step, she applied for vocational rehabilitation services.

With help from her Vocational Rehabilitation counselor, Steve Kadrie, Shena identified her job goals, procured job development services from Productive Alternatives, and within a few months was working at what she defines as her dream job. She still gets a little help from a job coach for things that require math and when learning a new task, but is well on her way to being independent.
17,674 people received services from VR in FFY 2016, down 305 participants from 2015. Of those who received services, 5,765 were new participants.

36% of all VR participants report a serious mental illness.

43% of those receiving service in 2016 were the age of 24 or younger.

At application, 35% of VR participants were receiving Supplemental Security Income, Social Security Disability Insurance or a combination of both.

Although VR continues to serve those with the most significant work barriers, there is a growing wait list. By the end of September 2016, 1,085 people were on a wait list.

In 2016, 90% of VR applicants were determined to have a disability that resulted in serious limitations in three or more functional areas. This category has increased 23% in the last three years. In 2013 only 67% of VR applicants were determined to have serious limitations in three or more functional areas.

This year, 3,115 VR participants obtained employment.

All VR participants are placed in competitive and integrated jobs. The average hourly wage for participants without long-term supports is $12.71, up from last years $11.98.

28% of those finding employment utilized ongoing supports. For those with ongoing supports, the average wage is $10.80, up from $9.97 in 2015.

This year, 3,115 people found work through VR. Upon finding employment, the average wage was $358 per week, compared to just $36 a week when they applied for VR services.

Individuals employed after receiving VR services earned a combined total of $1,114,500 per week.
PLACEMENTS BY TYPE OF EMPLOYMENT 2016

<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive Employment</td>
<td>2,125</td>
<td>2,231</td>
<td>2,224</td>
<td>71%</td>
<td>$12.59</td>
<td>$387</td>
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<tr>
<td>Self-employment</td>
<td>44</td>
<td>21</td>
<td>21</td>
<td>1.0%</td>
<td>$25.21</td>
<td>$317</td>
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<tr>
<td>Employment with Supports</td>
<td>700</td>
<td>852</td>
<td>870</td>
<td>28.0%</td>
<td>$10.80</td>
<td>$268</td>
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<tr>
<td>Total</td>
<td>2,869</td>
<td>3,104</td>
<td>3,115</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

VR PARTICIPANTS BY CULTURAL/ETHNIC GROUPS 2016

<table>
<thead>
<tr>
<th>Percent of MN Population, ages 16-24</th>
<th>Cultural/Ethnic Group</th>
<th>Percent of VR Participants</th>
<th>Percent Obtaining Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.8%</td>
<td>Black or African American</td>
<td>12.7%</td>
<td>11.0%</td>
</tr>
<tr>
<td>4.9%</td>
<td>Hispanic/Latino²</td>
<td>4.2%</td>
<td>3.8%</td>
</tr>
<tr>
<td>2.0%</td>
<td>American Indian</td>
<td>2.6%</td>
<td>2.3%</td>
</tr>
<tr>
<td>5.0%</td>
<td>Asian and Pacific Islander</td>
<td>2.9%</td>
<td>2.6%</td>
</tr>
</tbody>
</table>

¹ Source: 2014 American Community Survey (ACS)
² Duplicate Count

THE VR CASELOAD: MAJOR CATEGORIES OF DISABILITY

<table>
<thead>
<tr>
<th>Primary Disability Group</th>
<th>2016</th>
<th>2016</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serious Mental Illness</td>
<td>6,266</td>
<td>36%</td>
<td>36%</td>
</tr>
<tr>
<td>Learning Disability</td>
<td>3,097</td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td>Autism Spectrum</td>
<td>2,179</td>
<td>12%</td>
<td>11%</td>
</tr>
<tr>
<td>Developmental Cognitive Disabilities</td>
<td>1,558</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>Orthopedic and Neurological Impairments</td>
<td>734</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Deaf/Hearing Loss</td>
<td>696</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Traumatic Brain Injury/Stroke</td>
<td>633</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Cerebral Palsy</td>
<td>306</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Arthritis and Rheumatism</td>
<td>182</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Chemical Dependency</td>
<td>177</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Spinal Cord Injury</td>
<td>125</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Epilepsy</td>
<td>124</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>

The percentage represented by each of the major categories of disability have remained relatively stable over the years, with one exception – autism. Autism has grown from 7% of the VR caseload in 2011 to 12% of the caseload in 2016.
VOCATIONAL REHABILITATION AT A GLANCE

JOB PLACEMENTS BY BROAD CATEGORY¹

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Number of Consumers</th>
<th>Average Hourly Wage</th>
<th>Average Hours per Week</th>
<th>Average Weekly Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clerical/Sales</td>
<td>990</td>
<td>$11.14</td>
<td>27</td>
<td>$307</td>
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<tr>
<td>Service</td>
<td>794</td>
<td>$10.21</td>
<td>24</td>
<td>$252</td>
</tr>
<tr>
<td>Industrial Trades</td>
<td>398</td>
<td>$13.24</td>
<td>35</td>
<td>$469</td>
</tr>
<tr>
<td>Professional/Technical/Managerial</td>
<td>377</td>
<td>$18.33</td>
<td>34</td>
<td>$623</td>
</tr>
<tr>
<td>Healthcare: Support and Service</td>
<td>313</td>
<td>$11.72</td>
<td>27</td>
<td>$319</td>
</tr>
<tr>
<td>Misc. Occupations</td>
<td>243</td>
<td>$11.99</td>
<td>29</td>
<td>$370</td>
</tr>
<tr>
<td>Total</td>
<td>3,115</td>
<td>$12.17</td>
<td>28</td>
<td>$358</td>
</tr>
</tbody>
</table>

¹All VR placements are competitive and integrated

WAIT LIST FOR VR SERVICES GROWS

VR EXPENDITURES (IN MILLIONS)

- $21.9 Services purchased for consumers
- $18.6 Services provided to consumers by VR staff
- $6.3 Administrative costs
- $11.4 Field office operations
- $3.6 State and DEED direct and indirect charges

VR FUNDING SOURCES (IN MILLIONS)

- $43.1 Federal
- $10.8 State match
- $5.3 Social Security reimbursement
- $0.9 Local match
Vocational Rehabilitation’s 17,674 participants come from all parts of Minnesota. VR services are typically provided at one of the state’s nearly 50 Workforce Centers.

To find the Workforce Center or Vocational Rehabilitation office closest to you go to mn.gov/deed/wfc or call 1.800.328.9095.

Out of State . . . . . 55        State Total . . . . 17,674
SGA Project Summary

The Vocational Rehabilitation program in 2016 completed a one-year model demonstration project designed to improve earnings for VR customers who receive benefits through Social Security Disability Insurance (SSDI). The so-called SGA Project received a one-year funding extension to increase the number of SSDI VR customers who achieve monthly earnings above SGA at closure. (SGA stands for “substantial gainful activity” and is currently defined as earning $1,090 or more a month from working.)

The research demonstrated the benefits of fast pacing and a coordinated team approach that includes the VRS counselor, placement professional, financial specialist, and the client. The project provides up-front information about local labor markets, transferable skills, and financial education.

The outcomes are very promising.

- Participants received greater access to financial and benefit information. This greatly enhanced the VR experience for both counselors and consumers, reduced consumers’ anxiety about returning to work, and made it easier for consumers to make confident and informed decisions about employment.

- Participants were more likely to attend college or other post-secondary training programs. People wanted a career instead of an immediate job to supplement SSDI payments.

- Participants were more likely to leave VR with employment and they were more likely to be working above SGA.

The research project is funded by a grant from the Rehabilitation Services Administration through the Institute for Community Inclusion (ICI) at the University of Massachusetts Boston. ICI has contracted with Mathematica Policy Research to do a longitudinal study to determine if people who go off of benefits as a result of VR services will remain working. As a result of the initial promising results, Minnesota is currently expanding the project statewide.
MICHELLE’S STORY

When Michelle decided that she was ready to re-enter the workforce, she contacted Vocational Rehabilitation. She wanted to work, but worried about the consequences of getting off social security disability benefits. What would she do if the job did not work out? But her VR counselor reassured her that when she went back to work there would be a five-year period during which she could, if necessary, go right back on benefits.

Michelle says: “Working with a VR counselor was amazing! It gave me direction and I was able to manage what I needed to do every step of the way – when I thought about going back to school, the VR counselor got me connected to the local university and helped me to navigate the documentation required to apply as a student. . . Working with a VR counselor was definitely worth it.

There were some struggles but now that I am working, I am independent and on my own.”

Michelle works as a loan offer assistant at a mortgage company. She is doing well and her supervisor states: “Michelle is a passionate person about helping the people and putting forth that extra time and effort. She has a great appreciation of just being able to work and do what she does. I think that passion passes on to the clients, her coworkers, and those that she works around.”

Clearly, Michelle takes pride and satisfaction in what she does. “When I go to work in the morning I know that I have value. I am going out and helping others. When I go home at the end of the day, I have a sense of fulfillment.”

Michelle reports that it is also a plus to have a little more income. She can go out and have dinner a little more often and can take those trips she always dreamed of. On her last trip she discovered a new passion, skydiving – certainly something that she plans to continue doing. To see a video of Michelle’s full story, go to https://icimedia.wistia.com/medias.lbsgfe6rx3.
A Sharp Left Turn at Very High Speed

In the past year the public Vocational Rehabilitation program made a permanent pivot into new and uncharted territory. The critical turning point in 2016 forced the entire rehabilitation community to abruptly change course – to take a sharp left turn at very high speed.

A sweeping federal law called the Workforce Innovation and Opportunity Act (WIOA) took full effect in July. Its congressional authors saw WIOA as a new vision for how America prepares an educated and skilled workforce and called it the most significant reform to the public workforce development system in nearly 20 years. The public VR program constitutes just a small part of it; but the massive operational and fiscal impact of new requirements imposed by the WIOA reforms had become apparent, by year’s-end, not only to VR but also its partners and customers.

At the same time, Minnesota’s Olmstead Plan – a policy and practice roadmap that seeks to achieve full inclusion in all areas of life for Minnesotans with disabilities – was approved by the federal court in 2015 and gained momentum in 2016. Appropriately, the Minnesota VR program appears primarily in the employment section of the Olmstead Plan, which spelled out clear expectations for VR, including: embedding person-centered practices in its work, engaging in greater cross-agency collaboration, and implementing an employment first policy.

The reforms of both WIOA and Olmstead can be seen as a manifestation of increased national attention to, and enforcement of, the Americans with Disabilities Act. It’s no exaggeration to say that the past year brought some of the most sweeping changes to the rehabilitation system in a generation. For the public VR program, these changes can best be summarized as a profound shift in narrative – a subtle, but important, reboot of the way we think and speak about providing services to people with disabilities.

The fundamental question no longer can be, “Are you able to benefit from VR services?” Rather, the question is, “What services and supports will you need to be successful in competitive, integrated employment?”
The provisions of WIOA spell out new ways for people with the most significant disabilities to learn about and seek competitive, integrated employment in their communities. It places tighter restrictions on their choice to work in jobs that pay less than the federal minimum wage. And it requires the public Vocational Rehabilitation program to engage in unprecedented levels of career counseling for people with disabilities who choose to participate in programs and services that include subminimum wage employment.

It’s clear that Congress intended WIOA to promote a much more intensive effort than ever to provide VR services to students with disabilities. The law now requires the public VR program to provide Pre-Employment Transition Services (Pre-ETS) to all students who are eligible, or potentially eligible, for VR services. In Minnesota, that works out to more than 48,000 students – most of whom are not, and historically would not have been involved with the VR program. The Pre-ETS mandate requires the VR program to devote at least 15 percent of its federal appropriation to providing job exploration, work-based learning experiences, workplace readiness training, counseling, and self-advocacy training. The objective is to provide this range of exploratory services early in a student’s high school experience to set them on a course that leads to competitive, integrated employment and a career.

The profound system changes had their origins in 2014, when Congress passed WIOA and the governor’s Olmstead Subcabinet launched its work on Minnesota’s Olmstead Plan. But the past year brought a dizzying acceleration in the implementation of these changes. We, the entire rehabilitation community, are now compelled to confront significant changes in who we are serving, how we are serving them, and what resources we have available to serve them.

The resource question is critical. The new mandates, both state and federal, are unfunded mandates. The system is being asked to provide new services to new populations in new and different ways – but without new funding. We’re estimating that the cost to the VR program of the new requirements will be in the vicinity of $7.5 million. And this comes at a time when VR already is operating, because of ongoing resource issues, with three of four priority for services closed – with a waiting list at year’s end of nearly 1,100 people.

Successfully maneuvering a sharp left turn, at high speed, without experiencing a calamitous roll-over, will take continued vigilance and nerve on the part of the entire rehabilitation community. This includes the State Rehabilitation Council, whose members constitute a valuable citizen advisory group for Minnesota’s VR program. It’s critically important for the entire community – VR and its partners alike – to keep the ultimate goal in sight: full inclusion for persons with disabilities.

That, in the end, is what this is all about.
MOHAMMED’S STORY

Mohammed takes great pride in earning a paycheck from his job at the Pitney Bowes mail sorting facility in Fridley. He didn’t always enjoy this measure of personal independence. He knew he was a capable guy, but his deafness created a significant communication challenge and made a job search seem like an impossible labyrinth. He asked for assistance from Vocational Rehabilitation.

“I wanted to be independent, so I met with Vocational Rehabilitation,” he said. “They helped me with applications and gave me some guidance . . . They helped me learn how to communicate a little better during interviews . . . When I took a tour at Pitney Bowes, I couldn’t believe it. I didn’t know what to expect, but I thought this place was really neat.”

Everyone agreed that the mail room job was a good match – both for the employer and for Mohammed. The VR program helped Mohammed see how working would affect his benefits by helping him compare his benefits to a paystub.

In Mohammed’s words: “When I was on benefits, I didn’t have a lot of money. I didn’t have a phone and it was hard to pay rent. The money often ran out in the first week. The decision was clear. I decided I wanted to work full time. I knew I could be successful.”

Mohammed has been at Pitney Bowes for over a year and continues to enjoy the work. His supervisor says, “My experience working with Mohammed has been wonderful . . . He is always dependable, happy, smiling, and gets along great with his co-workers. It is a pleasure to work with him.”

Mohammed sums it up by saying, “My life is very different now. I plan to keep this job forever!”

To see a video of Mohammed’s work story, go to https://icomedia.wistia.com/medias/x5r3gzuzku.